

Gloves do not qualify for the Manufacturing Machinery and Equipment Exemption.. See 86 Ill. Adm. Code 130.330. (This is a GIL).

July 26, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated June 24, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

This written request is to ascertain the taxability of gloves, used by production workers, directly in the manufacturing process. These gloves allow the production worker to touch the work in process as it passes through the manufacturing process. In addition, the gloves provide a safety feature by protecting the hands of the production worker handling the product.

Does the Illinois Sales and Use Tax law provide for any exemption for the purchase of this item?

If you have any additional questions, please give me a call. My number is ####.

Enclosed is a copy of 86 Ill. Adm. Code 130.330 concerning the Manufacturing Machinery and Equipment Exemption. Retailers' Occupation Tax does not apply to sales of machinery and equipment used primarily in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease. The exemption does not apply to machinery or equipment used to prevent or fight fires or protect employees such as protective face masks, helmets, gloves, coveralls, and goggles or for safety accident protection or first aid even though such machinery or equipment may be required by law. See part (4)(G) of subsection (d) of Section 130.330. As noted in the rules, gloves specifically do not qualify for the Manufacturing Machinery and Equipment Exemption.

However, in addition to the exemption for manufacturing machinery and equipment, the State provides a manufacturer's purchase credit on the purchase of tangible personal property that qualifies for the manufacturing machinery and equipment exemption. See subsection (a) of the enclosed a copy of 86 Ill. Adm. Code 130.331.

Accumulated MPC may be used to satisfy Use Tax or Service Use Tax liability that is incurred on the purchase of production related tangible personal property

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that does not qualify for the manufacturing machinery and equipment exemption. The credit may be applied only to the 6.25% State rate of tax. See subsection (b) of Section 130.331. Production related tangible personal property means all tangible personal property used or consumed in a production related process by a manufacturer in a manufacturing facility in which a manufacturing process described in Section 2-45 of the Retailers' Occupation Tax Act takes place, and all tangible personal property used or consumed by a manufacturer in research and development regardless of use within or without a manufacturing facility. See subsection (b) of Section 130.331. Gloves used directly in the manufacturing process as described in your letter will generally qualify as production related tangible personal property. Please note that certain reporting requirements must be followed to use MPC. See subsection (e) of Section 130.331.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Terry D. Charlton  
Associate Counsel

TDC:msk  
Enc.